

**IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

IN RE KBR, INC. SECURITIES  
LITIGATION

Case No. 4:14-CV-01287  
Judge Lee H. Rosenthal

**CLASS COUNSEL'S NOTICE OF DISTRIBUTION OF NET SETTLEMENT FUND  
AND UNOPPOSED MOTION TO DISBURSE REMAINING ATTORNEYS' FEES  
PREVIOUSLY AWARDED BY THE COURT**

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*Class Counsel for Class Representatives and the Class*

Dated: April 26, 2018

# **I. PRELIMINARY STATEMENT AND SUMMARY OF ARGUMENT**

Court-appointed Class Counsel Labaton Sucharow LLP and Bernstein Litowitz Berger & Grossmann LLP (together, “Class Counsel”) respectfully submit this notice concerning the distribution of the proceeds of the Settlement of the above-captioned action (the “Action”) to Authorized Claimants, and request authorization to pay the remainder of the attorneys’ fees this Court previously awarded.<sup>1</sup>

On April 5, 2017, the parties entered into the Stipulation, which set forth the terms of the Settlement of this Action for \$10.5 million in cash. On August 24, 2017, following notice to the Class and a hearing, the Court approved the Settlement (*see* Final Order and Judgment (ECF No. 156)); approved the proposed plan for allocating the net Settlement proceeds (*see* Order Approving Plan of Allocation (ECF No. 155)); and approved Class Counsel’s application for an award of attorneys’ fees and payment of litigation expenses (*see* Order Awarding Attorneys’ Fees and Payment of Litigation Expenses (ECF No. 154) (the “Fee and Expense Order”). Pursuant to the Fee and Expense Order, 50% of the Court-awarded attorneys’ fees and 100% of the approved litigation expenses were payable to Plaintiffs’ Counsel immediately upon entry of the Fee and Expense Order, with the remaining 50% of the awarded fees payable “upon submission of an accounting to the Court showing that at least 90% of the Net Settlement Fund has been distributed to Authorized Claimants.” *See* Fee and Expense Order, ¶ 5 (ECF No. 154 at ¶ 5).

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<sup>1</sup> Unless otherwise indicated herein, all terms with initial capitalization shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated April 5, 2017 (ECF No. 134-2) (the “Stipulation”) or in the Declaration of Alexander Villanova Regarding Distribution of the Net Settlement Fund filed herewith, dated April 24, 2018 (the “Villanova Declaration” or “Villanova Decl.”).

On December 12, 2017, the Court entered the Order Approving Distribution (ECF No. 161) (the “Distribution Order”), which authorized disbursement of 100% of the Net Settlement Fund to Authorized Claimants. As described below and in the Villanova Declaration, the entirety of the Net Settlement Fund was disbursed to Authorized Claimants beginning on December 29, 2017, and more than 90% of the payments from the Net Settlement Fund have now been negotiated by Authorized Claimants. Accordingly, Class Counsel, on behalf of all Plaintiffs’ Counsel, hereby request entry of the proposed order submitted with this notice, which authorizes payment of the remainder of the attorneys’ fees awarded by the Court in the Fee and Expense Order.

Pursuant to LR 7.1, Class Counsel have conferred with counsel for the Defendants, and Defendants take no position on the motion.<sup>2</sup>

## **II. ARGUMENT**

As noted above, the Fee and Expense Order awarded Plaintiffs’ Counsel attorneys’ fees in the amount of 25% of the Settlement Fund (a fee of \$2,625,000, plus interest at the same rate as earned by the Settlement Fund) and litigation expenses totaling \$816,260.97. The Fee and Expense Order directed that the full amount of approved litigation expenses and half of the awarded fees be payable immediately, with the remaining fees payable after distribution of the Settlement proceeds to Authorized Claimants. Specifically, paragraph 5 of the Fee and Expense Order states:

Plaintiffs’ Counsel shall be paid 50% of the attorneys’ fees awarded and 100% of the approved expenses immediately upon entry of this Order. After the distribution of the Net Settlement Fund to Authorized Claimants, Plaintiffs’ Counsel may seek payment of the remainder of the awarded attorneys’ fees upon

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<sup>2</sup> Under the terms of the Stipulation, Defendants have no role in or responsibility for the administration of the Settlement Fund or processing of Claims, including the distribution of the Net Settlement Fund. *See* Stipulation ¶¶ 21-23.

submission of an accounting to the Court showing that at least 90% of the Net Settlement Fund has been distributed to Authorized Claimants.

*See* ECF No. 154 at 2.

Pursuant to the Fee and Expense Order, a total of \$2,132,580.12 was disbursed to Plaintiffs' Counsel, consisting of (i) 50% of the Court-awarded attorneys' fees (\$1,316,319.15),<sup>3</sup> and (ii) 100% of the Court-awarded litigation expenses (\$816,260.97). *See* "Settlement Fund Accounting As Of 4/20/2018," attached as Exhibit A to the Villanova Declaration (the "Accounting").

As noted above, on December 12, 2017, the Court entered the Distribution Order approving the distribution of 100% of the Net Settlement Fund to Authorized Claimants. Pursuant to the Distribution Order, 100% of the Net Settlement Fund was disbursed to Authorized Claimants beginning on December 29, 2017. *See* Villanova Decl. ¶ 2. Specifically, checks and wire transfers totaling \$6,822,204.60 were sent and issued from the Net Settlement Fund to Authorized Claimants. *Id.*

As reported in the Accounting, as of April 20, 2018, \$6,674,222.22, or 97.8% of the Net Settlement Fund, has been negotiated by recipients, and \$147,982.38, or 2.2% of the Net Settlement Fund, remains in the account. *Id.* ¶ 5, Exhibit A. Given that more than 90% of the Net Settlement Fund has been negotiated by Authorized Claimants, in accordance with paragraph 5 of the Fee and Expense Order, the remaining 50% of the attorneys' fees previously awarded by the Court may now be paid to Plaintiffs' Counsel. Attached hereto as Exhibit 1 is a proposed Order Authorizing Payment of Remainder of Court-Awarded Attorneys' Fees, which, if entered by the Court, will authorize payment of the remaining 50% of the previously awarded

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<sup>3</sup> The \$1,316,319.15 in attorneys' fees paid to Plaintiffs' Counsel consisted of \$1,312,500.00 (50% of the \$2,625,000 total fee award), plus \$3,819.15 in interest earned on that amount through the date of payment.

attorneys' fees, specifically \$1,326,474.09,<sup>4</sup> plus any additional interest earned on that amount through the date of payment, upon entry of the proposed Order.

### **III. CONCLUSION**

For the foregoing reasons, Class Counsel respectfully request that the Court authorize that the balance of the Court-awarded attorneys' fees (totaling \$1,326,474.09, plus interest) be disbursed to Plaintiffs' Counsel, and that the Court enter the proposed Order submitted herewith authorizing payment of \$1,326,474.09, plus any additional interest earned on that amount, to Plaintiffs' Counsel upon entry of the proposed Order.

Dated: April 26, 2018

Respectfully submitted,

**LABATON SUCHAROW LLP**

**BERNSTEIN LITOWITZ BERGER  
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/s/ Louis Gottlieb

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*Liaison Counsel*

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<sup>4</sup> The \$1,326,474.09 in attorneys' fees payable to Plaintiffs' Counsel through March 31, 2018 consists of \$1,312,500.00 (the remaining 50% of the \$2,625,000 total fee award), plus \$13,974.09 in interest earned on that amount through March 31, 2018.

**CERTIFICATE OF SERVICE**

I certify that on this 26th day of April, 2018, I caused the foregoing to be electronically filed with Clerk of the Court using the CM/ECF system, which will send notification of such filing to the email addresses denoted on the Electronic Mail Notice List.

By: /s/ Louis Gottlieb  
LOUIS GOTTLIEB